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THE PROPERTY OF THE PARTY OF TH THE SHAPE THE TO STATE OF THE STATE OF the matching consenses of the second states 198 La more interessa lessoltes to his les state man nd my aunder at and ing by a him taking his briginal will anding Schibit 6; - hat a section rating portions of the number red to tento that mesonow represent set as aninity; when is, we ser as the buildings are concerned. Now, you state the exhibit 3 as a copy of the other echibit. or of the alter plot plans have a Stade the stored to guite except that sine winer allot plan that up Stagelman sined to you, solved the erasures where we have the cortion of the building merked "C" and "C-1" on schioit; se this so le Birilar collectives of searth at the least a state of mone that is tade from here, not being en architect. wit looks miler, a can college shall be drawing of ar fac-Stadelman, Trom a leyish stancpoint, looked exactly, or imilar to this (indicating) as far as your offlines are conerned, except he had grased certain markings on the plan. respondent those warkings transferred to any other part of the

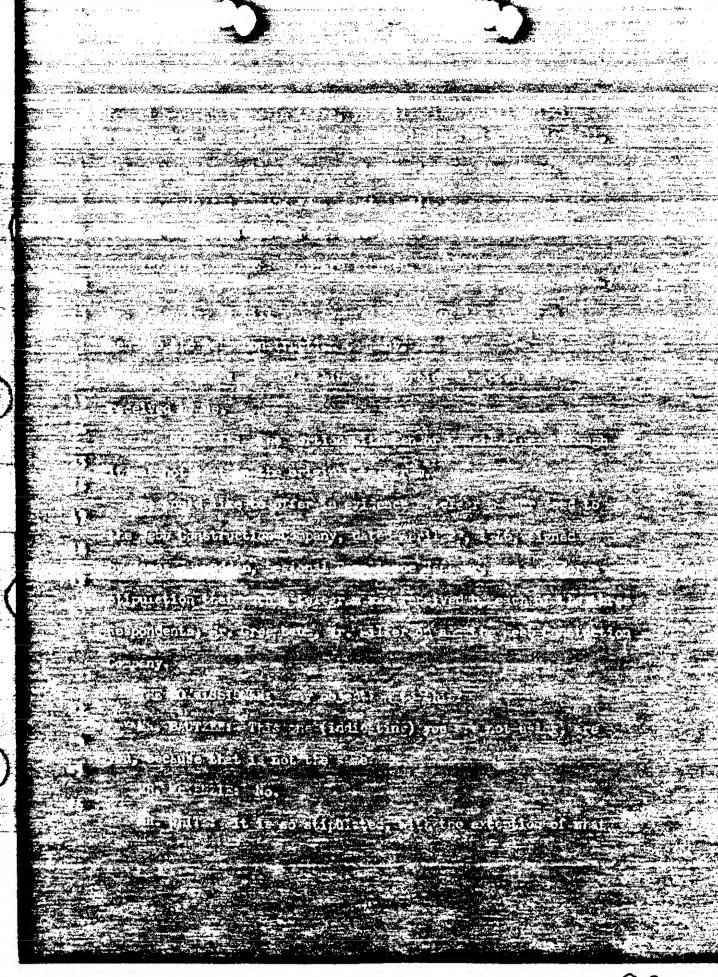
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PART 4700-VETERANS' EMPRGENCY HOUS-DIG PROGRAM

[Voterans' Housing Program Order 1]

CENERAL RESTRICTIONS ON COMETRUCTION AND REPAIRS

The Veterans' Emergency Housing Program, set forth February 7, 1946, by the Housing Expediter in his report to the President, calls for the construction of an unprecedented number of moderte and low-cost housing accommodations to meet the needs of returning veterans. The fulfillment of require-ments for the defense of the United ·States has created a shortage in the supply of materials and facilities required for construction, for defense, for private account and for export. It will be impossible to carry out the Veterans'
Emergency Housing Program without
diverting critical materials from deferrable or less essential construction. The following order is deemed necessary and appropriate in the public interest and to promote the national defense.

§ 4700.1 Veterans' Housing Program Order 1—(a) What this order does. In order to carry out the Veterans' Emergency Housing Program, this order forbids the beginning of construction and repair work on buildings and certain other structures without specific authorization under paragraph (h) of the order, with the exception of certain small jobs and other work covered by paragraphs (d), (e) and (f). The restrictions of the order apply whether or not the materials needed are on hand or are available without priorities assistance.

(b) Structures and work covered by this order—(1) Kinds of structures. .The restrictions of this order apply to certain kinds of work on structures. As used in the order, "structure" means any building, arena, stadium, grandstand, pier, moving picture set or billboard, whether of a permanent or temporary nature (however, the erection of stands or other structures which have been used before and are being erected only for a temporary purpose and are to be taken down after the temporary purpose is served is not covered by the order). The term "structure" does not include roads, streets, sidewalks, railroad or street car or interurban or plant railway tracks or operating facilities (other than buildings), fences, silos, trailers (except when demounted and installed on a foundation), bridges, tunnels, subways, pipe lines, utility facilities (except buildings) providing for electric. gas, sewerage, water, central steam heating or telephone or telegraph communication services including power or utility lines and sewers, surface or underground mines, wells, dams, canals or drainage or irrigation ditches. The term "structure" also does not include anything that is not attached to the land or to a structure as defined above/or any kind of equipment installed outside of and not attached to a building or other

(2) Kinds of work. The restrictions of this order apply to constructing, repairing, making additions or alterations (including alterations incidental to installing any kind of equipment), improving or converting structures, or installing or rejocating fixtures or mechanical equipment in structures. These terms include any kind of work on a structure which involves the putting up or putting together of processed materials, products, fixtures or mechanical equipment, if the processed materials, products, fixtures or mechanical equipment are attached to the land, or are attached to a structure and used as a functional part of the structure, or are attached so firmly to the land or structure that removal would injure the material, product, fixture or mechanical equipment or the structure. The laying of asphalt or other tile or linoleum cemented or otherwise attached to the structure is covered by the order. However, repainting, repapering and sanding floors and greasing, overhauling, repairing or installing repair or replacement parts in existing mechanical equipment in all types of structures, where no change in the structure is made, are not

covered by the order. (3) Fixtures and mechanical equip-ent. The term "fixture" means any ment. article attached to a building or structure and used as a part of the building or structure. The term "mechanical equipment" means any equipment which is used to operate a building or other structure. The following items are included within the phrase "fixtures and mechan-Ical equipment" if they are attached to the building or structure in any of the ways indicated later in this paragraph: plumbing, heating, ventilating and lighting equipment, panelling, bookcases, bars, soda fountains, show cases, booths, wood or metal partitions, counters, and the like. These articles are considered to be attached to a building or structure if they are attached by nails or screws to the building, if they are connected to the plumbing or other piping system of the building, if they are connected to the lighting system of the building (except by connection to an existing outlet), or if a base or foundation is built for the item, or if the item is cemented to the building or structure. The phrase "fixtures and mechanical equipment" does not include the following: machine tools, blast furnaces, conveyors, elevators, process piping, control or testing equipment used for industrial or utility purposes or in a laboratory, power generating or transmitting equipment, such as boilers, generators, transformers, and the like (however, where the purpose of boilers, transformers and similar equipment is primarily to provide electricity or steam for lighting or heating the building in which they are installed they would be mechanical equipment), medical equipment in a hospital, washing machines or dryers in a commercial laundry, compressors or cooling equipment in a cold storage ware house or frozen food locker plant, gasc line pumps and hydraulic lifts in a garas or service station, and stoves, refrigers tors tother than refrigerators con structed as an integral part of a build ing), food-warming equipment and dish-

washing equipment in a restaurant. (c) Prohibited construction. (1) No person shall begin to construct, to repair, to make additions or alterations to to improve, to convert from one purposi to another, or to install or to relocate fixtures or mechanical equipment, in any structure, public or private, in the forty eight States, the District of Columbia, Puerto Rico or the Virgin Islands, except to the extent permitted under paragraphs (d), (e) and (f), or when and to the extent specifically authorized under paragraph (h). No person shall carry on or participate in any construction, repair work, addition, improvement, conversion, alteration, installation or relocation of fixtures or mechanical equipment prohibited by this order. The prohibitions of this paragraph apply to a person who does his own construction work, to a person who gets a contractor to do the work, to contractors, sub-contractors, architects and engineers working on a job which is being carried on in violation of this order or getting others to work on it or to supply materials for it.

(2) This order forbids the beginning of certain kinds of work. To "begin" work on a structure means to incorporate into a structure on the site materials which are to be an integral part of the structure in question. Demolition, excavation and similar site preparation do not constitute beginning construction. The order does not apply to work which was begun before March 26, 1946, and which was being carried on that date and which is carried on normally after that date. However, this rule only applies to the particular building or other structure begun before March 26, 1946. It does not apply to any other building or structure which had not itself been begun by that date even though the two

are closely related.

(d) Exemption for small jobs. (1) This order does not restrict a construction, repair, alteration or installation job, the cost of which does not exceed the allowance given below for the particular kind of structure involved:

- (i) \$400 for a house or other structure (such as a garage) on residential property designed for occupancy by five families or less. This allowance also applies to farmhouses and other housing accommodations on farms, except bunkhouses and other accommodations for transitory farm laborers.
- (11) \$1,000 for a hotel, resort, apartment house, or other residential building designed for occupancy by more than five families.
- (iii) \$1,000 for a building used primarily for one or more commercial or service establishments such as offices. banks, stores, laundries, garages, restau-

GPO-CPA 17848-p.1

ants, night clubs, theaters, repair shops, sarehouses, fromen food locker plants and radio stations.

(iv) \$1,000 for a farm, excluding farmhouses which are covered by paragraph (d) (1) (i) above. A farm means a place used primarily for raising crops, livestock, dairy products or poultry for the market.

(v) \$1,000 for a church, hospital, school, college or a publicly owned building used for public purposes, or for an orphanage or other building used exclu-

sively for charitable purposes.

(vi) \$15,000 for a factory, plant or other industrial structure which is used for the manufacturing, processing, or assembling of any goods or materials, for a logging and lumber camp, for a pier (other than a pier designed for amusement, entertainment or commercial purposes), for a structure used for or in connection with a railroad or street railway, or a commercial airport, for a bus terminal, for a truck terminal operated by a common or contract carrier by truck, or for a research laboratory or pilot plant or for a motion picture set. This allowance is applicable to structures used for oil, gas or petroleum producing, refining, or distributing (except service stations and garages which are covered by paragraphs (d) (1) (iii) above). It is also applicable to utility structures (public or private) providing for electric, gas, sewerage, water, central steam heating, or telephone or telegraph communication services.

(vii) \$200 for a structure covered by this order which does not fall within one of the classes listed above.

(2) For the purpose of determining whether a particular job is exempted from this order by paragraph (d), the "cost" of a job means the cost of the entire construction job as estimated at the time of beginning construction. This includes the cost of paid labor engaged in the construction work, regardless of who pays for it, the cost or value of new fixtures, mechanical equipment and materials incorporated in the structure, whether or not obtained without paying for them, and the amount paid for contractors' fees. It does not include the cost or value of previously used fixtures, mechanical equipment and materials, the value of unpaid labor, or the cost or value of machinery and equipment (other than mechanical equipment) or the cost of labor engaged in assembling and installing the machinery and equipment.

(3) For the purpose of this exemption. a related series of operations which are performed at or about the same time or as part of a single plan or program constitute a single job. No job which would ordinarily be done as a single piece of work may be sub-divided for the purpose of coming within this exemption. When a building or part of a building is converted from one purpose to another, all work incidental to and done in connection with the conversion must be counted as one job. So also if a building is being renovated, improved or modernized over an extended period, all work done in connection with the modernization (other than work done before March

26, 1946) must be considered as part of

b, even though separate contracts for the different parts of the work. The definition of a job given in this paragraph may not be used in determining whether construction has started prior to the issuance of the order under paragraph (c) (2),

(4) If a structure is used for more than one purpose and might therefore fall within more than one of the classes indicated, the use to which the greatest part of the structure will be put (computed on the basis of the floor area where applicable) determines the allowance. If a structure is being converted from one purpose to another, the allowance applicable to the structure after the conversion is the maximum allowance for the conversion. The allowances given for jobs on a structure apply to all subordinate or related structures situated near and used in connection with the structure.

(e) Exemption for repair and maintenance work in industrial, utility and transportation buildings and structures. The prohibitions of this order do not apply to maintenance and repair work in structures covered by paragraph (d) (1) (vi) of this order. For the purpose of the exemption given by this paragraph, "maintenance" means the minimum upkeep necessary to keep a structure in sound working condition and "repair" means the restoration of a structure to sound working condition when the structure has been rendered unsafe or unfit for service by wear and tear, damage, failure of parts, or the like. However, neither maintenance nor repair includes the improvement of any structure by replacing material which is still usable with material of a better kind, quality or design. No maintenance or repair work which is capitalized by the person doing the maintenance or repair work may be performed under this exemption. Alterations to a building or other structure covered by paragraph (d) (1) (vi), including alterations incidental to installation of equipment, are not exempted by this paragraph, even though they are not capitalized, and may only be done when and to the extent permitted under paragraph (d) or when specifically authorized.

(f) Other exemptions—(1) Disasters. (i) The prohibitions of this order do not apply to the minimum work necessary to prevent more damage to a building or structure (or its contents) which has been damaged by flood, fire, tornado, or similar disaster. This does not include the restoration of the structure to its

former condition.

(ii) The prohibitions of this order do not apply to the repair, rebuilding or reconstruction of any house (including a farmhouse: or any farm building which was destroyed or damaged by fire, flood, tornado or similar disaster, if the total cost of the repairs, rebuilding or reconstruction does not exceed \$6,000 and if the reconstruction is started within sixty days of the occurrence of the disaster.

(2) Military construction. The prohibitions of this order do not apply to work by or for the account of the U.S. Army or Navy.

(3) Veterans' Administration. The prohibitions of this order do not apply

construction projects of the Veteran. Administration, including projects being built by the Corps of Engineers for the Veterans' Administration, or to the remodeling of a building or any part of a building which has been leased to the Veterans' Administration or to Public Buildings Administration for occupancy or use by the Veterans' Administration.

(g) Prohibited deliveries. No person shall accept an order for, sell, deliver or cause to be delivered materials which he knows or has reason to believe will be used in work prohibited by this order.

(h) Authorizations. Persons who wish to begin work which is prohibited by this order may apply for authorization. If the application covers housing accommodations under Priorities Regulation 33 (including farm dwellings), it should be made on Form CPA-4386. Applications for nonfarm housing accommodations should be filed with the local office of the Pederal Housing Administration. Applications covering housing accommodations on a farm should be filed with the appropriate County Agricultural Con-servation Committee. The assignment of ratings for or approval of housing accommodations under Priorities Regulation 33, whether before or after the issuance of this order, constitutes an authorization under this order to do the work for which priority assistance or approval was given under that regulation. If the application covers work on a farm (other than farm dwellings), the application should be made on Form CPA-4423 and should be filed with the appropriate County Agricultural Conservation Committee. If work on any other kind of structure is involved, the application should be filed on Form CPA-4423 with the appropriate Construction Field Office of the Civilian Production Administration. Applications will be reviewed to see whether and how much the proposed construction would interfere with the Veterans' Emergency Housing Program. In addition, the essentiality of the proposed work in relation to the Veterans' Emergency Housing Program, to the elimination of a bottleneck to the reconversion of the national economy from a wartime to a peacetime basis, to the public health and safety of the community, or to eliminate an unusual and extreme hardship will be taken into consideration in determining whether the application should be approved. In case of emergency, a request for authorization may be made by telegram to the appropriate Civilian Production Administration Construction Field Office. The telegram should state the nature of the emergency (fire, flood, etc.), the use to which the building w.'! be put, the type of construction, the estimated cost of construction and the reasons why immediate reconstruction is necessary.

(i) Construction under authorizations. When a person is specifically authorized. either by approval of Form CPA-4423 or Form CPA-4386 or otherwise, to do work restricted by this order, he must observe the restrictions imposed on him by the authorization, and in doing the authorized work, he must not do any work of the kinds covered by the order unless it is specifically covered by the authorization. He may not, in connect ha job which has been specifically a corised, do additional work under the exemption given by paragraph (d). When an application on Form CPA-4423 has been approved a placard will be sent to the applicant stating that the construction has been approved under this order. The applicant must place in the placard the project serial number and must set up the placard in front of the project site in a conspicuous location within five days after construction has been started and he must keep the placard there until completion of the work.

(1) Violations. Any person who wil-

fully violates any provision of this wider who, in connection with this order, wiifully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using material under priorities control, and may be deprived of priorities assistance.

(k) Communications. All communications concerning this order should be addressed to the Civilian Production Ad-

ministration, Washington 25, D. C., Rei VHP-1.

(1) Reports. All persons affected | this regulation shall file such reports may be requested by the Civilian Pr duction Administration, subject to tl approval of the Bureau of the Budget accordance with the Federal Report Act of 1942.

Issued this 26th day of March 1946.

CIVILIAN PRODUCTION
ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

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U S DEPARTMENT OF JUST CE COMMUNICATIONS SECTION
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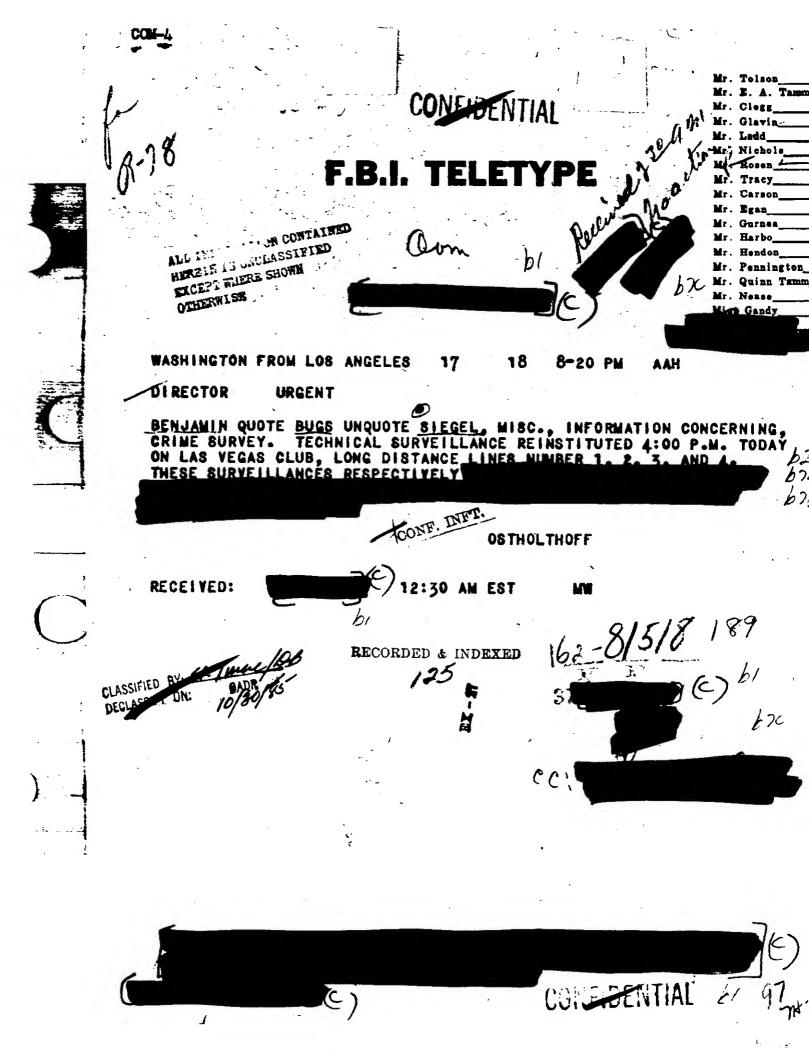
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Mr. Quin Temm.

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DENTIAL ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE ... MINITALIE "MOGS" BINGEL MISCELLANGOUS - INFORMATION CONCERNING CRIME SURVEY SLIF class. DAT- 11 2485 Ag 12_ bl In compliance with your teletype request of September 11, 1946, there are enclosed two photographs each of Benirain "Bugs" Siegel, Luciano, CLASSIFIED BY: SP. AIR WAIL ec - Los Angeles



Office Memoranaum . United States Government

SUBJECT: BENJAMIN "BUGS" SIEGEL

MISCELLANEOUS —
INFORMATION CONCERNING

DATE: September 16, 1946

Call 12:40 P.M. 9/14/46

HERE IN 10 30/15 BY SP-7/2000

Mr. Ostholthoff advised that in view of the ruling of to the effect that the project in connection with the construction of the Flamingo Hotel, Casino, etc., by Siegel and his associates really constituted one building, the CPA planned no further action. Mr. Ostholthoff stated that CPA at San Francisco, has advised that he will not be in a position to make available the transcript of the testimony at the recent hearing until he obtains authority from

Mr. Ostholthoff was advised that if any difficulty or delay were ercountered in obtaining this transcript he should immediately communicate with the Bureau so that arrangements could be made to have the transcript made immediately available.

Mr. Ostholthoff stated that he did not know whether the Eureau should proceed with the phase of the investigation concerning a possible CPA violation in connection with the construction of the Flamingo Hotel in view of the adverse decision rendered by the was instructed to arrange to have the transcript immediately reviewed for the purpose of determining if any statements made by witnesses could possibly constitute a violation of the Perjury Statute. He advised that he will immediately do this and submit a letter to the Eureau with his recommendations and observations.

He stated that it might be possible in investigating the construction of the Flamingo Hotel to run the money invested by Siegel and his associates back to its original sources but that such investigation would necessitate open inquiries. He stated that at present open inquiries would not be made but as soon as he had an opportunity to read and analyze the testimony before would determine the advisability of requesting authority for making open inputiries.

He commented that he had noticed an article in Variety Magazine to the effect that the U.S. Attorney at Seattle had stopped construction of a \$100,000/ theater building for violation of CPA regulations. Mr. Ostholthoff will arrange through the Seattle Office to obtain complete details concerning this matter inasmuch as it was not previously known that the U.S. Attorneys had handled litigation in connection with CPA violations RECORDED

Mr. Ostholthoff's attention was called the necessity of continuing to handle this investigation in the most expeditions manner possible and of the desirability of requesting Eureau authority telephonically when the exigencies of the case necessitated.

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Mr. A. Rosen

Mr. Ostholthoff requested a review be made of Bureau files concerning the American Distillery Company as information had been received indicating the possibility that some of the money of this company was invested in the Siegel project. A review is being made of the Eureau's files in connection with the American Distillery Company.

nl Bureau of Investigation U & DEPARTMENT OF JUSTICE HOWEVER SECTIONS SECTIONS

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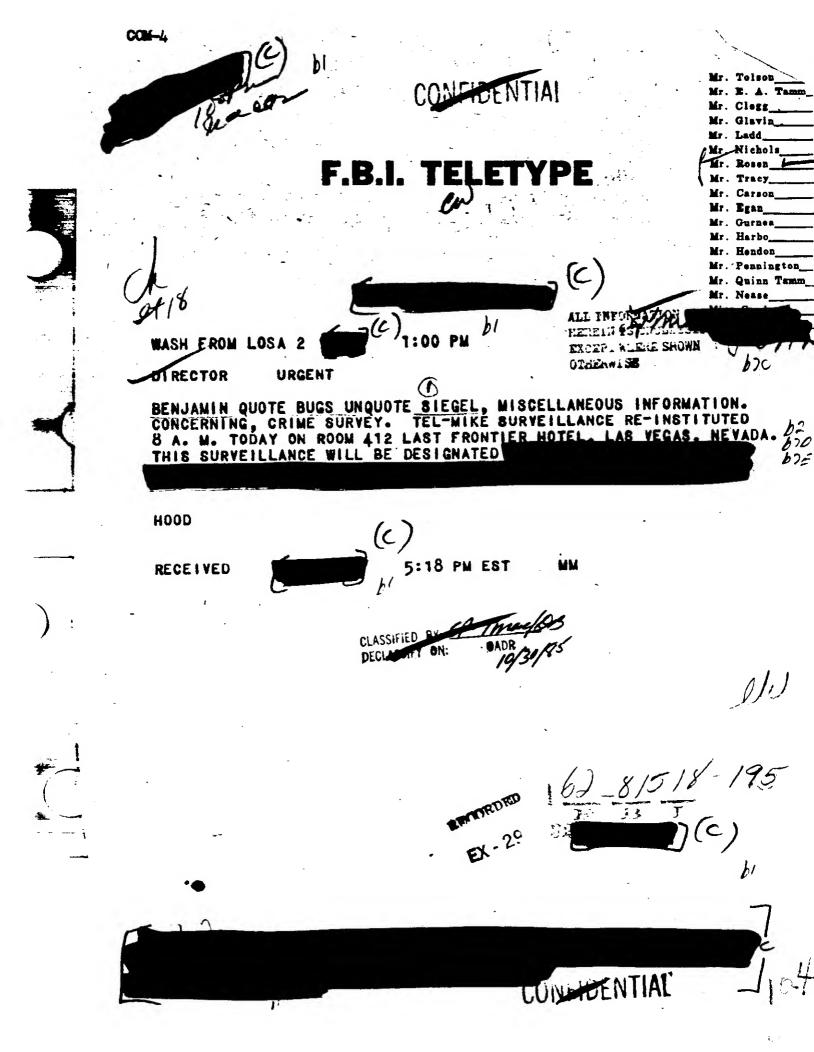
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DIRECTOR- ATTENTION MR. ROSEN URGENT

BENJAMIN "BUGS" SIEGEL, MISC., INFO CONCERNING, CRIME SURVE.

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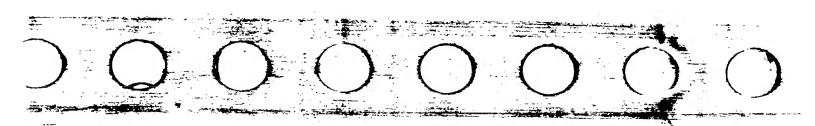
FRONTIER HOTEL ON NIGHT OF SEPT. SEVENTEEN, VIRGINIA HILL

ACCIDENTALLY DEPRESSED ACCELERATOR CAUSING CAR TO LURCH FORWARD

IN BRINGING CAR UNDER CONTROL SIEGEL STRUCK HIS FACE ON STEERING

WHEEL. SUBJECT'S BROTHER, DR. MAURICE SIEGEL, REPORTS THAT
SUBJECT'S INJURY WAS ACTUALLY VERY SLIGHT BUT SUBJECT CONSIDER
ABLY EXAGGERATED THE INJURY.

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Mr. Pennington_ Mr. Quinn Tamm_

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Mr. Nesse

Mr. Tolson_ Mr. E. A. Tamm_

FROM LOSA

DIRECTOR

ROUTINE

BENJAMIN BUGS STEGEL, CRIME SURVEY. TECHNICAL SURVEILLANCE INSTALLED 4:00 P.M. INSTANT DATE ON TOLL PHONE AT 10814 WILSHIRE BOULEVARD LOS ANGELES, NUMBER ARIZONA 3703ARLZONA 9. AT APARTMENT OF VIRGINIA HILL, COVERED AT CENTRAL PLANT.

HOOD

RECEIVED:

1:10 A.M. EST

ALL INFORMATION CONTAINED HEREIX IS INCLASSIFIED EXCESS YELES SHOWN

OTHERWISE .

CLASSIFIED BY 10/30/8s

RECORDED INDEXEN



Rederal Bureau of Investigation United States Department of Justice Los Angeles 13, California September 6, 1916



670

PLE NO. 62-2837

PERSONAL AND COMPLETE

Director, FBI

Attention: Assistant Director A. ROSEN

DECLASSIFIED BY CO 7 Mes / OB.

BENJAMIN "BUGS" SIEGEL, with aliases - Policy MISCELLANEOUS; INFORMATION CONCERNING- CRIME SURVEY

Dear Sir:

Reference is made to the report of Special Agent dated August 20, 1946 at Los Angeles, in the above-captioned case.

tion had on August 9, 1946 between SIEGEL and LANSKY.

On Page 7 of the referenced report information is set forth to the effect that advised that on August 9, 1946 BEN SIEGEL had contacted MEYER LANSKY at New fork City, telephone no. The falgar 7-6269. The conversation in general referred to the building of the ramingo Hotel and the fact that SIEGEL had received a stop order from Washington. SIEGEL inquired of LANSKY as to whether he could get "that guy" to send a car of beer.

LANSKY was interested in mowing what the beer was for and BEN stated he wanted to send it to and was to send it to "them." With reference to "them" it was thought to be the "fellows on the Commission. A lead was set forth in referenced report requesting that the New York Field Office endeavor to secure information regarding the shipment of one car of beer to at the New York Field Office, there is attached one copy each of the transcript of the telephone conversation.

In addition to the above call, BEN SIEGE on August 1916 was reported by to have placed a call to at New York City. There is attached one copy of the transcript of the call between these individuals for the Bureau and the New York Field Office.

With reference to MEYER in the transcript, it is undoubtedly MEYER

LANSKY. With reference to the name of this is believed to be

dentioned in the above conversation is unknown to this

office at the present time.

INDEXED

It is noted in the report of Special Agent dated August 30, 1916, at New York, in the CAPCA Case that SIEGEL, too Incl.O. ADONIS and LANSKY controlled the numbers recket in New York City in the same group with who controls the numbers racket in Philadelphia. Also,

530CT 8--1940



\.__*_*

Director, FBI

September 6, 1946

Re: BENJAMIN "BUGS" SIEGEL, with aliases

it is reported that report to be the notorious York,

stated in the well known in Philadelphia and New

raderburg and new

At this time it was not known to which number the call was made at New York to reach

bx

br

The New York Field Office is requested to endeavor to determine the identity of to whom SIEGEL conversed on August 14, 1946. It is noted from the conversation that is undoubtedly close to LANSKY as SIEGEL instructed him to explain to LANSKY regarding the wire and that \$12,000 had been sent. The New York Field Office is also requested to make every possible effort to secure further information with reference to the shipment of a carload of beer to the Newada Beverage Company, Las Vegas.

Very truly yours,

Enclosures-2

boc

02-2051

cc: New York (Encls.-2)

Los Angeles, California August 12, 1946



MEMO, SAC:

Re: BESJAMIN "BUGS" SIEGEL
MISCELLAMBOUS; INFORMATION CONCERNING;
CRISE SURVEY

On August 9, 1946 at 5:30 p.m. BEN SIEGEL called REYER LANSKY at Trafalgar 7-6269, New York City. The following conversation took place:

- B. Well, I have been outon the G.D. property.
- M. You've been there too?
- B. Teah, and I got to go back again. I should have busted a leg before I got into this thing. Every time I go I see something this did, you know; contracts he signed. Got an ice machine for eighteen thousand, makes 20 tons of ice a day, we need 2, needs four guys to make it. We'll sell ice. Gives you an idea of what is up there and the other day they took the license down. I don't hear.
- H. That is what I told you a couple of weeks ago.
- B. That is stuff he bought himself. He committed for the contract then we took it into our outfit. Now we are trying to sell it and get a smaller one. You never know what he was making until we look into those things. I build the plant, get the stuff, and everything and he is a partner and all he is is a lot of headaches. Yeah, got another headache. First thing I do when I go back the other day I go up....are you listening?
- M. I'm listening.
- B. So I go up for a hearing for the license so they take it under advisement. So I had to go up to get nine S of B to make an appearance. Bawled the J out of them, granted the license for liquor and gambling. Getting it Tuesday. I get the license, get a call from the 67 C.; .A. in Washington an order to cease building immediately or they will indict us criminally. They got an OK to go ahead right after you left a week ago.
- M. Yeah.
- B. All they got is a couple of stakes in the ground and they got an O.K. to build and they will start to build. See. He came to me about the proposition to go with him. It is something worth a \$1,000,000. They are building, you know a wooden shack.....We started in December, which

109

MEMO, SAC:

August 12, 1946

they had no jurisdiction ever us. But in April when they asked us to seme to Reno at a cost maybe of \$2,000, bring a lawyer, an architect, hire a plane. We came up and they give us an O.K. in writing and now they tell us this order supersedes their order of April 13, which is exactly 15 weeks ago. If we don't stop they will prosecute us criminally and what we called 'em while up there I wouldn't put in writing, and tell them to go ahead and send us to jail. We got two million here for the building and about another one and half million on the grounds and we got an O.K. from you. Why don't you wait until we get ready to put the windows in. So they give us a week to get us a hearing. They set the hearing now. I just got through, they set the hearing for Tuesday up in Frisco. If I blow it I got til Thursday and I got to quit working. Well, I'm not going to quit working, they can send me to jail. Those . I'd like to know the guys ... must be somebody. I think rate, G D it comes from that G D thing with MOET with that

N. All right, what is that to us? What do you want telling me about it?

B. Well, it don't mean anything. I think we got nothing to do, who the h cares who gets elected senator? We are not butting in, but I think he is the one who put the finger on us. I may..... I called in Washington. He said to find out the name and call him back. He said it is a G.D. thing, who ever heard of a thing like that, just somebody trying to....he gets burnt up. Somebody trying to shake, they will get the wook shook of their . All right, what are you doing?

M. Nothing much.

B. I am going up to what you call it?

M. Frisco.

B. Yeah Prisco, maybe tomorrow.

M. I spoke to our friend. I don't think he will take it. He wanted to find somebody to go in with, but he himself could not handle any part of it. So don't bank on him or the other fellow. He couldn't handle none of it.

B. You mean

boc

M. . That's too much for him.

MENO, BAC:

August 12, 1946

- B. Don't he want anything of it?
- E. Uh?
- B. don't be want any part of it.
- M. Bo, his liquid position ...
- B. No, but it don't make any difference. I wanted to give him some part of it. If he wanted it. All right, then I'll take care of it.
- M. O.I. Now what's his name, the manager?
- B. Yeah.
- M. You know.
- B. Did you interview him?
- M. What do you want me to see him about? Just to look him over for you?
- B. Well, look him over. He's been recommended to Was it explained to you?
- M. I got the letter. It is very thorough.
- B. Well, we are looking for a guy. Now we're not leaving it to him. You know what type of guy we want. See what he is, see what he looks like and everything.
- M. All right.
- B. He worked...now he claims he was a manager down at Havana, which place is that?
- W. Well I don't know whether it was the Biltmore Country Club or the Biltmore Hotel.
- B.. He claims he was in the Rooney Place.
- M. If it was the Biltmore Hotel that was a pretty good place you know.
- B. I know the Biltmore. I stopped there once. All right. Look, you interview that guy and what else did I want? Did you see and check. Did he want that stuff?
- Y. Yeah.

boc

MENO, SAC

August 12, 1946

B. And now.

on the machines.

Y. O.Y.

B. .

M. Yeah.

B. Yeah and get...listen.

N. Yeah.

B. Can you get that guy to send a car of beer now?

N. A what?

B. A car of beer.

M. What do you want beer now for?

B. Well, I tell you why we need a car of beer. There are two of these fellows on the commission. Do you understand? So I got to send it to them. So instead of him giving us two later, he will give us one. You got the name of the Company to send it?

M. Yeah, O.K.

B. Send it through to him, just for him to the Newada Beverage. (Los Vegas)

M. Right.

B. The car of beer.

M. O.K.

B. When do you think you might be able to get it?

M. Hell, I will try to get shold of him.

B. What the H else did I want you for? Did you try to get on that scotch?

W. O.K.

bic

- B. Hold that up until I call you next week. As soon as I get through Tuesday I will call you. Where will you be?
- M. I'll be around here.
- B. I tell you what you do. Call me Wednesday at Las Vegas.
- M. O.K.
- B. And then I'll work that out myself, but if that wants to take two and one-half. I want to keep five.
- M. He don't want any of it.
- B. And then the other guys when do you think they will let you know?
- M. Don't depend on them.
- B. Well, I got somebody, understand, but....
- Y. Give it to him because you know.
- B. Yeah.
- M. O.K. you handle it.
- B. I don't bear.
- M. This, it may be too long drawn out.
- B. O.K. and you call me.
- We You know me I won't hold anything back, if I find out anything.
- B. Well, If I got..... I got 2 or 3 weeks. I took the other 25 for your me.
- M. I wouldn't take any more for us, If I were newyor.
- 8. Well, I just took that 22. With all this noise, who knows what? Might have S. Well, I had to give it all, I gave the dough two days age. Now listen, if I get anything I will call you.
 - M. O.K.

623

Los Angeles (18) California August 15, 1946

9:17 P.M. on August 14, 1946 - BEW SIEGEL at Los Angeles, California called at New York City and thefellowing to versation took place:

Re - Ballo

Operator: Hello, sir are you

HERIIN IS BY SI- TOWN

8: - Hello

8: How are you?

S: All right

S: Were you sleeping?

S: Just reading -- where is the little guy?

S: I called him so the nitwit answered.

S: How is everything there?

S: Are they open?

S: You mean the old one?

S: Oh, I just got off an airplane.

\$9.0**4.6**30167

124

S: Yeah.

S: We got to the favor.

S: Everything I got the license to for both, you know.

S: He bawled the h--- out of them, you understand. He was a Professor of law that was the commissioner. He bawled the h--- out of them and he told us to proceed which we had never stopped according to the telegram and he told them if he could not show any other cause before September 5th just to drop it. Probably nothing because they have nothing.

8: Nothing, but then today we went up for our license, whiskey and gamble license. We got them both so you tell the old fellow that.

S: Yeah.

8: Listen you tell him to start getting that stuff that what's his name promised me - MOE's friend.

8: And you know, out of the new and--

S: No. no. MEYER is supposed to take care of that.

S: And whatever friend.

S: you know

boc 1

Then he was supposed to try to get some of that other stuff I was telling you about and then he was supposed to send that car of beer to the fellow I told him about. Whatever happened to your car? All right. Listen, tell him to call me when he comes, Well, tell him to call me. That's good. Well, tell him to---down there--Tell him Well tell him to contact or myself at the Last Frontier Hotel; we are both registered there. 8: 0. K. Yeah. All right, now look--Explain to MEYER that the wire has not arrived down there and we can never get anybody to find out what's what on it and we sent them a \$12,000 deposit. Now tell them to try to put in a call for me by Saturday or

- 3 -

Sunday up to Vegas, eh?

- Yeah, but explain that it was O.K. The license was O.K. The only thing we tried to get the people on the wire and we can't get them and we sent them a \$12,000 deposit and I mant to know what's doing with it. O.K.? Let him try me Sunday. Sunday on up. I will be there for a week. If I go up there I will be up there for a week, understand? S: Mothing, I have been up in Frisco since Monday morning. was with me Sunday. I went up there Monday morning. up Tuesday afternoon and we just finished today. Yeah, he called from my room. St Yeah. Well, that's all right. I don't hear. The fifth. Yeah.
 - S: No! We started one structure and it is the same structure. We haven't deviated from it. We filed our plans --- the first place as we told the Commissioner we don't come under him, we got plans from January 12, 19/20 way before they ever enacted the law.

- 5: I said we had no business going up there and fourteen weeks ago on April 29th the C.P.A. Director of that territory with his office in Reno in writing gave us an O.K. to proceed. It didn't take them fourteen weeks to go in there and find out if we were doing anything wrong. Why didn't they too some in there and tell us.
- S: They got an investigator that takes the stand and testifies he discussed this proposition with a timekeeper up there.
- \$1 What's the h--- does a timekeeper know what we are doing. Why don't they go and see one of the owners. Why don't they go see the builders, the architect, the mechanical engineer or somebody.
- S: Oh, you know it is just politics. There is a place right along side of us given an o.k. for 1-1/2 million dellar hotel. That joker----
- S: Then we out building some--we started with our plans in Movember, 1945.
- S: Yeah, a little further up, SINATRA and them are building one.
- S: Yeah, going for 1-1/2 million and

will cost him 2-1/2.

- S: Yeah, there is plenty of material now. Enough to build ten more.
- S: I know he got it.
- S: About a week, I guess.

S: He will probably have to put it in tomorrow or next day. He will probably put it in Friday or Saturday. Because we are going to make a statement out for Monday, putting in the bank to get a loan.



So Toll him to send it Air Mail Special, ch?

8: If he sends it Air Mail Special, I will get it before. I will tell you why I want to get it before. I want to show a statement.

S: Yeah.

S: Yeah.

8: 0.K.

S: Yeah, and I will be in at the end of the month, I think. Or I might wait until September 5th if nothing comes up and I will come in for about a week.

S: They're fine.

S: Yeah.

S: Tell them to try to get that car of beer shipped out.

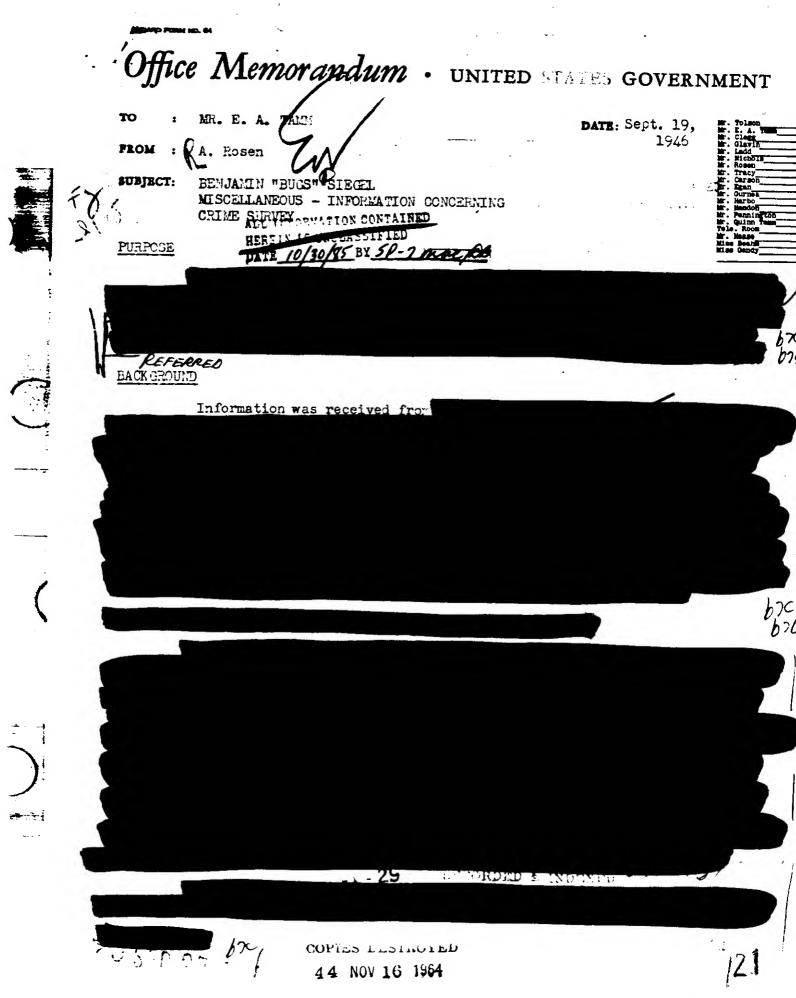
S: He knows about it. See if he can get it shipped out right away.

S: Say hello to everybody.

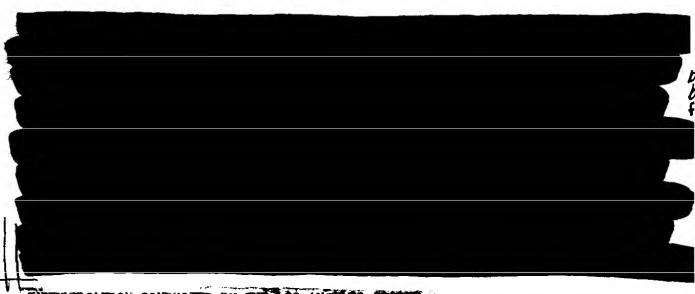


S: Soodbyo,

boc



62-81518-199



INVESTIGATION CONDUCTED BY THE LOS ANGLES OFFICE

Upon receipt of information that posses Siegel may be connected with the operation of narcotic traific, the Los Angeles Office contacted the Marcotics Bureau in Los Angeles, California, at which the May informed that they, the Marcotics bireau, the been investigating for a long period of time a nationwide harcotic conspiracy case covering individuals residing in Los Angeles, San Francisco, New York City, Reno, Mevada; Morfolk, Virginia; Richmond, Virginia; and Baltimore, Maryland. From the information developed as a fesult of their investigation there was no indication that "Bugs" Siegel was connected with any individual indicted by the Federal Grand Jury in Tollingeles, California.

DOSCHE DATION OF BURDAU REPRESENTATIVE

The Eureau's representative requested that the Eureau consider having an Agent of the Los Angeles Division who was acquainted with the activities of "Bugs" Signal interview

In view of the fact that the investilation conducted by the Los Angeles Division and the Bureau's representative were conducted simultaneously, it is not believed necessary to have an Agent of the Los Angeles Division interview at this time. It is suggested, however, that the report covering the

Lemo for Lr. E. A. Tanm

investigation of Siegel recently furnished by the Los Angeles Division to forwarded to the Burgau's representative

ACTION TO BE TAKET

670

requesting that a re-interview be conducted and that the attached letter be directed to the Los Angeles Division requesting that they explore the possibility of involving Siegel with the operation of a narcotic ring.

ER. L. A. PARI

2001 G

September 18, 1946

bx

bx

be

W.L.F.

A. Room

CAPGA

ALL INFORMATION CONTACTOR

10/30 ps 8 5 f-7 mach

tained be style you that a technical surveillance has been maintained be shown that a technical surveillance has been maintained be alose friend of There biegel, any Siegel was under sension; investigation and surveillance.

poll-known radio commentator, balloved to be Drew Pearson.

H.

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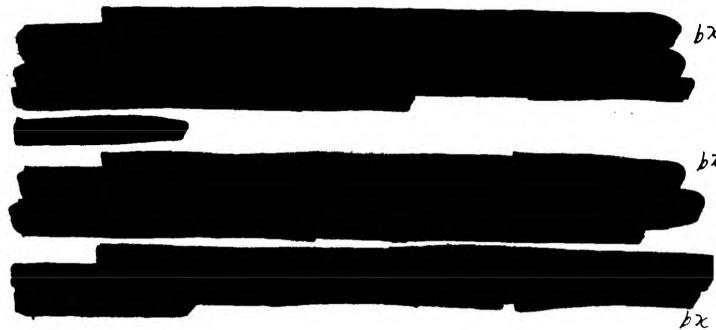
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	Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.	
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×	The following number is to be used for reference regarding these pages: 62-81518-200 pgs 293	

XXXXXX XXXXXX XXXXXX



ACTION TAXIS

The information reserved from the technical and specifically the information received as a result of the conversation conserving the Ragen killing was furnished immediately to the Chicago Divises by for the attention of Assistant Birector B. J. Commelley. The Washington Division has been directed to take immediate action covering information developed daily from the technical

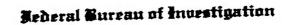
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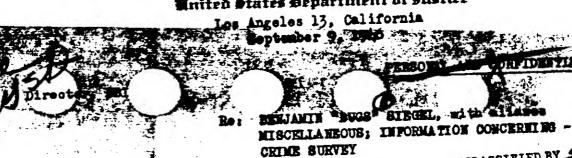
FILE DESCRIPTION BUREAU FILE

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-		PTI
SUBJECT	BUGSY SIEGEL	
FILE NO	62-815.18	
SECTION NO)	· <u>-</u> :
SERIALS	201	
	to	- 3



United States Department of Justice



Dear Sir

DECLASSIFIED BY 40, 7 Miles

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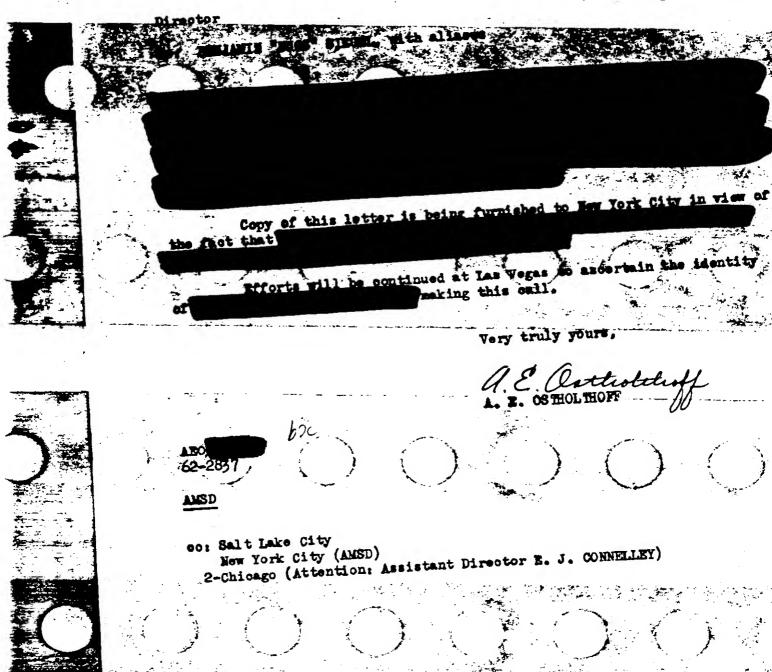
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BUY UNITED STEAMER BONDS AND STAMPS

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44 NOV 20 1964

THOETH BOCK

58 OCT 2 9846



OFFICE MEMORANDUM - UNITED STATES GOVERNMENT

TO

TRITIALS ON OF MAL

DATE: September 17, 1946

ceived a call from

in Chicago.

We are checking

to get his background. 1270

56 NOV 6-1948



FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

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	Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.	
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	For your information:	
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Civil Attache, Mude

BELLEY PROSS STREET.

MISCELLANGOUS - INFORMATION CONCURNING

CLUE STETTE

DECLASSIFIED BY

Reference is undo to the report of in the case entitled "heartivation of September 9, 2946, Capene Cangi Foreign - Miscellabeous" wherein you request to be furnished with information concerning subjects contained in reference report.

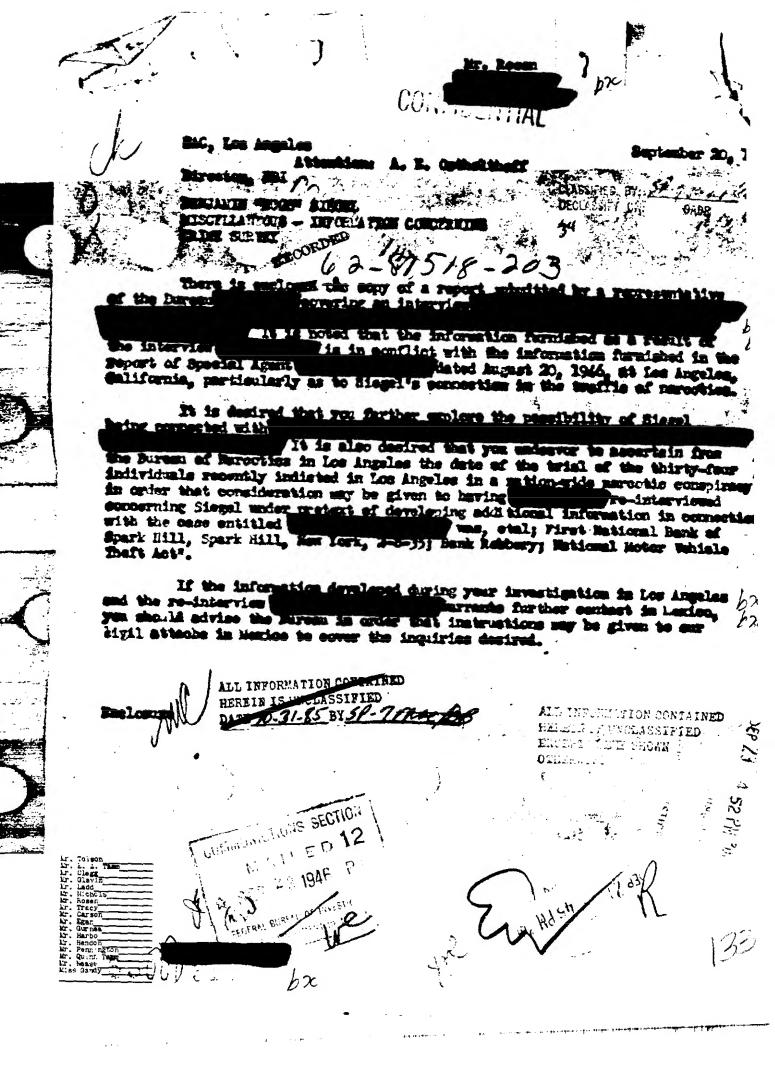
For your information, there is enclosed one copy of the report of Special Agents and Section August 20, 1946, at les Angeles, Californi in the case entitled "Senjamin Siegal, was; Information Concerning, Macallanes Origon Survey" which includes information to the content of Grime Survey" which includes information senserming

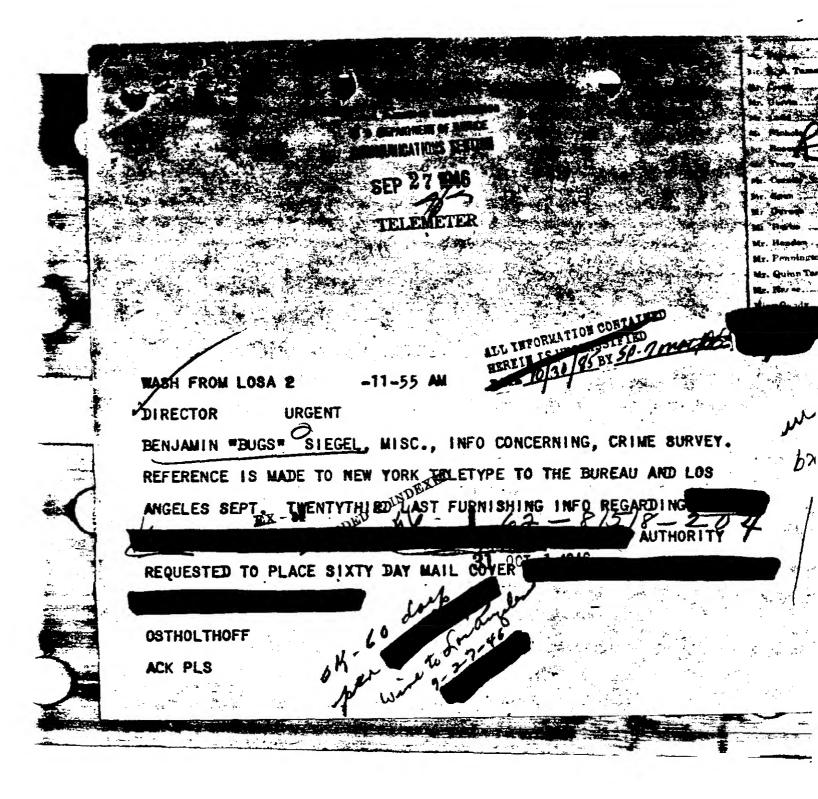
desired that the information contained in the report of Special Agent which is enclosed be thereughly reviewed and that

It is also requested that attention be afforded this matter and a report be substitted to the Durest in the immediate future.

letter should be routed through Mr. Carson's Section pefore mailing.)

bx





PEDERAL PUREAU OF ENVESTION

bx

To: COMMUNICATIONS SECTION.

SEPTEMBER 27, 2046

BOEN!

fransmit the fellowing message to: SAC, LOS ARRESTES

Alternative L. L. Grand Law

THE REAL PROPERTY OF THE PROPE

DESCRIPTION OF PERSONAL PROPERTY OF PLACE BALL SCHOOL OF

AUTHORITY TO PLACE SIXTY MAY MAIL GOVER ON THIS INDIVIDUAL MARRY SPANNING

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DOWNSTIPMENT OF INVESTIBATION

BY S DEPARTMENT OF JUSTICE

BOMMSPICATIONS SECTION

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PHOTO AND REPORT FOLLOWS, AMSD. INVESTIGATION CONTINUING. -8/5/8 CHEIDT 0 29 OCT 2 1946 530CT 3 1946

Office Memorandum • UNITED STATES GOVERNMENT

TO : NR. B. AND DATE: 9-27-46

PROM (A. ROSEN

ALL INFORMATION CONTAINED

RESERVED

TO STATES GOVERNMENT

SUBJECT: BENJAMIN "BUCS" SIECEL

FLAMINGO HOTEL PHASE OF THE CASE)

10/30/95 BY 50-1 Mock

PURPOSE

To advise you of the interviews contemplated for September 30, 1946 in connection with the investigation of the fraud angle of this matter.

INTERVIEWS CONTEMPLATED

The Bureau, by teletype, has instructed the Los Angeles Division to vigorously pursue the investigation concerning a possible Fraud violation in connection with the construction of the Flamingo Hotel.

The Los Angeles Office, by teletype of September 25, 1946 advised that in addition to it is contemplated that the following will be interviewed on September 30, 1946 in an effort to develop a Fraud Against the Government violation.

Benjamin Siegel

Benjamin Siegel

Benjamin Siegel

Benjamin Siegel

These interviews will be handled simultaneously and, since a possible Fraud Against the Government matter is involved, statements will be taken under oath.

ACTION TO BE TAKEN

You will be promptly advised when further pertinent information is received.

Mum 9.30. 16 brc

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Federal Sureau of Investigation Muited States Bepartment of Justice Los Angeles (13) California .b. .. September 17, 1946 Mr. (Mr. L **%**. A Mr. Ega ENJAMIN "BUGE" SIEGEL Mr. Gur MISCELLANECUS; INFORMATION CONCERD Dear Sir; Mr. Warb Mr. Bend INGE wei C.P.A., Los Angeles, advised special Agent Mr. Colas confidence that he attended the C.P.A. Hearing is San Francisco, California Mr. Neese on September 12, 1946, which was held to determine whether a freeze order should be placed seainst the sonstruction of the clamingo Hotel in Las Voras. Nevada. stated that the SIEGEL interests placed their Board, and who was definitely of the opinion that a freeze order should who was formerly connected with the War Production and, a San Francisco Architect by the name of selected by and represented C.P.A. Construction Division; Flamingo Hotel, which were introduced in evidence, consisted of the Continuing, (Phonetic), who was original blue prints for the casino building only and that these plans had been submitted prior to the original freeze order and appeared tolsto 1018 regular and authentic. In addition to the original plans for the casend introduced a plot plan which was made of the casend introduced a plot plan which was made or the casend introduced a plot plan which was made or the case of the c the respondents introduced a plot plan which was merely an architectis sketch showing that the completed hotel would consist of one building in the shape of a horseshoe. The informant is of the opinion that the cancellation of the original freeze order by C.P.A. which permitted respondents to expend over \$1,000,000 before the matter was again brought up for hearing was the controlling factor in the Commissioner's decision to allow

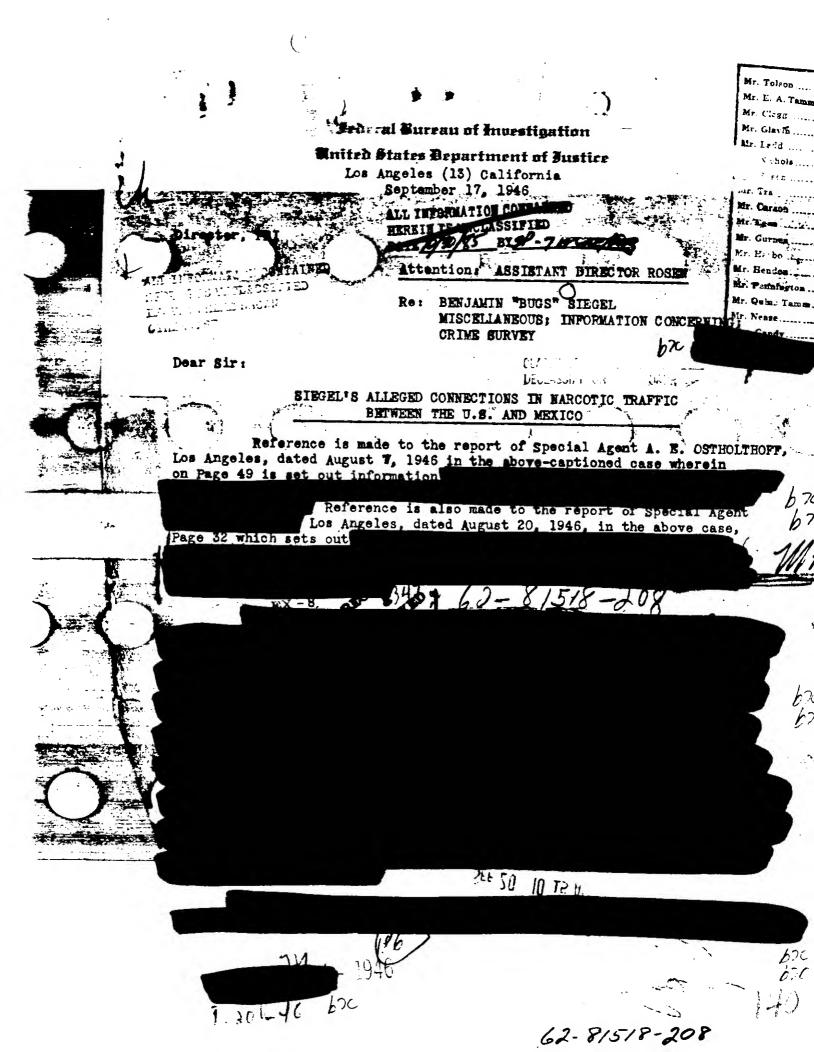
September 17, 1946

Director, FBI

Very truly yours,

4. E. Oxterolitiof A. E. OSTHOLTHOFF

AIR MAIL SPECIAL DELIVERY



COLLEGIAL

Director, FBI

September 17, 1946

through one Jose Pisher, an ex-convict

- 2 -

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LINIAL

Director, 383

September 17, 194

Total AL

~ 3 ~

Sederal Bureau of Investigation

United States Department of Justice Los Angeles (13) California September 16, 1946

Attention: Issistant Birector A. ROSE

Re: BENJANIN "BUGS" STRUCK.

MISCELLANEOUS, INFORMATION CONCERN

CRIME SURVEY

Dear Sir:

DECLASSIFIED DE 50-7 mas/on

There is attached hereto a memorandum setting forth an outline of proposed investigation concerning the possible Fraud Against the Government violation in connection with the construction of the Flamingo Hotel at Las Vegas, Nevada.

It is true that this matter has been investigated by the Civilian Production Administration and has been gone into at length before a C.P.A. Commissioner, who ruled in favor of SIEGEL and his associates, which makes it difficult to prove the case at this time. However, any case against SIEGEL will be difficult to prove in view of his past experience and present ability to secure legal counsel.

Our problem of proof will be different then the C.P.A. Case in the and more difficult. The C.P.A. attempted to prove that there were two or more buildings being constructed on the Flamingo Hotel project. We must go beyond that and find witnesses who will testify that SIEGEL and the latter's associates knew that and conspired to misrepresent the facts to the Government.

I do not believe that the principle ros adjudicata will apply to this matter since the proceedings before the C.P.A. Commissioner are apparently always subject to review by the courts. It is suggested, however, that this matter be discussed with the Department.

While it is realized that a violation; if it exists, is a technical violation of an administrative order, at the present time it represents the only violation which we have developed to date over which this Bureau has jurisdictions;

This investigation, if conducted, would show the interest of the F.B.I. in SIEGEL's activities, but it is not believed that this will necessarily prevent investigation of SIEGEL's general activities from going forward since it is quite possible that he will believe that our interest



9-19-46 fail

BO: BRUJANIN TRUBE & BIRGEL

in film is confined to the Flamingo Hotel project in view of the C.P.A.

advice is received from the Bureau.

Very truly yours,

A. E. OSTHOLTHOFF

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POSSIBLE VIOLATION IN CONNECTION WITH THE CONSTRUCTION OF THE BLAMINGO HOTEL

Investigation of this matter will be undertaken to determine if there is a violation in Section 80, Title 18, which is the General Fraud Statute. The theory of the violation is that

made a false statement to Construction Division of the Civilian Production Administration at Reno, Nevada on April 29, 1916 when he stated both verbally and in writing that the Flamingo Hotel Project consisted of only one building, construction of which was commenced prior to March 26, 1916, the date on which all nonessential building was ordered stopped by the Civilian Production Administration.

The purpose of this investigation would be, first) to prove a oriminal violation and a possible conspiracy on the part of others which would include subject BENJAMIN SIEGEL. The second purpose of the investigation would be to re-open this matter under the Civilian Production Administration regulations and to cause an order to be issued which would stop further construction of the Flamingo Hotel. It should be noted that SIEGEL is reported to have a considerable investment in this project and that the income from the Flamingo Hotel and Casino will amount to 2,000,000 per year. Third, an open investigation of this matter whether or not it results in stoppage of construction by Government order would probably prevent SIEGEL and his associates from securing loans from legitimate sources for the completion of this construction. It has been noted that SIEGEL and his associates have experienced considerable difficulty in arranging loans with banks and insurance companies in California and Utah due to the fact that an investigation was being conducted of the Flamingo Hotel on the part of the Civilian Production Administration. The fourth purpose of this investigation would be to give us an opportunity to thoroughly examine the financing of the Plamingo Hotel which may show that SIEGEL has placed into this project more funds than he has accounted for to the Internal Revenue. It also may show has placed into this project more funds than he has accounted for. It may well be that only in investigating this matter on a Fraud Against the Government angle will we ever be able to inquire into SIEGEL's finances which are an important part of the general investigation of SIEGEL's activities.

The Civilian Production Administration brought its action to stop construction of the Flamingo Hotel under Civilian Production Administration Order No. VHP-1, dated March 26, 1946, which states, "In order to carry out the Veterans Emergency Housing Program this order forbids the beginning of

ENCLOSURE

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construction and repair work on buildings and certain other structures without specific authorization Under Paragraph (h) of the order..." The order further provides "To 'begin' work on a structure means to incorporate into a structure on the site materials which are to be an integral part of the structure in question. Demolition, excavation and similar site preparations do not constitute beginning construction. The order does not apply to work which was begun before March 26, 1916 and which was being carried on on that date and which is carried on normally after that date. However, this rule only applies to the particular building or other structure begun before March 26, 1916. It does not apply to any other building or structure which had not itself been begun by that date even though the two are closely related."

The Flamingo Hotel is located approximately six miles outside the city limits of Las Vegas, Hevada. The facts concerning the construction of this project as they have been developed to date by F.B.I. investigation and C.P.A. investigation are briefly summarized as follows:

On December 12. 1945 Permit No. 112 was issued by the Clark County Building Inspector to

This permit was for the laying of foundations on the Alhoa Tract, South Fifth Street, Highway 91, cost \$5,000, foundations for six buildings. This is undoubtedly for the foundations for the six barracks buildings appearing on the right side of the plot plan dated January 12, 1946.

On January 12, 1916 Permit No. 139 was issued by the Clark County Building Inspector to for "remodel dormitories" Los Angeles Highway, cost \$12,000. This again refers to the barracks appearing on the right side of the plot plan referred to above.

On January 22. 1946 Permit No. 140 was issued by the Clark County Building Inspector for "building of casino and restaurant" on Los Angeles Highway, cost \$150,000.

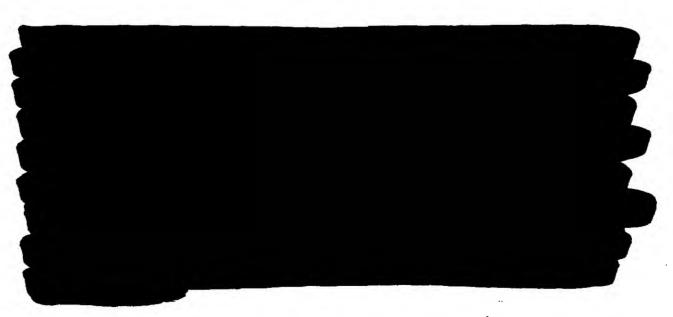
has advised that originally build a one-story building containing a casino, restaurant and offices.

only one building and the hotel does not appear on this plan.

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On March 26, 1916 VHP-1 was issued by the Civilian Production Administration which in effect stopped all except residential construction.

On April 23, 1946, a telegram was sent by the Civilian Production Administration at San Francisco to the LEL JEBB CONSTRUCTION COMPANY. and GREENBAUM ordering them to stop construction of the Flamingo Hotel. April 29, 19/6. GREENBAUM and C.P.A. Construction Division at Reno, Nevada. represented to that the project was one building and in support or that contention produced for inspection a blue print, dated January 12, 1946, prepared by Based upon representations, wrote a letter advising that since this construction began before March 26th, there would be no need for him to file an application for permission to continue with the construction.

A transcript of a hearing before C.P.A. Commissioner at San Francisco, August 13th and 14th, 1946, shows the following testimony furnished by of the C.P.A. The DEL WEBB CONSTRUCTION records on the Flamingo Hotel project show that the DEL WEBB men arrived on the project March 21, 1946. Excavation was started March 25, 1946; April 11, 1946 poured some concrete footings. There appears to be no doubt, and the point was not contested before the C.P.A. Commissioner, that construction on the hotel building was commenced after the C.P.A. Freeze Order of March 26th.

INVESTIGATION TO BE CONDUCTED

In order to prove a violation of Section 80, Title 18, it will be necessary to show that made a deliberate misrepresentation to

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in other words, we must prove intent on the part

We must also prove that there was a conspiracy by others concerned in the
construction of the Flamingo Hotel to misrepresent the facts

It should be noted that the first stop order was issued by the C.P.A. April 23,
1946, but it was not until April 29, 1946 that appeared before
at Reno. We must determine what took place at conferences between

SIEGEL,

etc. in the intervening time. While
there appears at this point to be no doubt that two or more buildings are
being constructed on the Flamingo Hotel Project, we must prove not only that
but also must prove that

was aware of that and the other persons
involved were aware of that, but still agreed to misrepresent the facts to

It will be necessary in order to fully determine the facts of this () matter to interview the following individuals:

Las Vegas, Nevada. This man testified before the C.P.A. Commissioner at San Francisco and also drew the plan which presented to in substantiation of his statement that the Flamingo Hotel was one building. He was undoubtedly involved in any consultations held with SIEGEL,

GUS GREENBAUM, Las Vegas, Nevada. GREENBAUM was considered by the C.P.A. to be one of the builders of the Flamingo Hotel and on the public records was listed as such. We know that actually he has nothing to do with the hotel, but is a figure head representing SIEGEL. It will be necessary to interview him to determine what conferences were held before presented this matter to the list also possible that GREENBAUM will furnish us with other information concerning SIEGEL's activities in view of indications that he is tired of SIEGEL's domination.

Las Vegas, Nevada, as the principal involved in making any false statements will naturally have to be interviewed.

Del Mebb Construction Company, Las Vegas, Nevada. This man of the construction of the Flamingo Hotel and testified before C.P.A. Commissioner at San Francisco.

There will undoubtedly be other individuals who will be interviewed as determined by the interviews with the individuals set out above. The records of the Del Webb Construction Company will have to be examined in order to trace, if possible, the funds that have gone into the construction of the Flamingo Hotel. Eventually we would interview SIEGEL,

OBJECTION TO PROSECUTION OF THIS MATTER

It might be pointed out in connection with the prosecution of this matter that the Civilian Production administration did on April 29, 1946

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furnish to the construction of the builders of the Mamingo Hotel a letter, stating in effect that they could proceed with construction and that as a result of this letter these people have invested a large sum of money in this project. That objection would be answered by showing that the statement was false and that the "permission" granted was based on the false representation. In so far as the objection that these individuals have invested a large sum of money is concerned, that can be answered by pointing out that BENJAMIN "BUGS" SIEGEL has never engaged in honest toil and that in so far as present information shows does not legitimately have available the large sum of money so far spent in the construction of the Flamingo Hotel.

INDICATIONS OF GUILT WHICH ARE NOT EVIDENCE

after the C.P.A. hearing at San Francisco August B

with C.P.A. hearing at San Francisco discussed in the hotel room at the Saint Francis Hotel at San Francisco the possibility that perjury had been committed before the C.P.A. Commissioner.

Before the C.P.A. hearing on August 13 and 14, 1916 SIEGEL was in bottouch with to see if could "get to" the Commissioner, who was to hear this matter. This would appear to be unnecessary if SIEGEL and his associates had not violated the C.P.A. regulations.

on August 22. 1916

a proposed loan of \$500,000.00 on the Flamingo Hotel. During his conversation stated, "We have a single story building of lattice steel of approximately 35,000 square feet which houses the restaurant, bar kitchen and casino. The cost of this is estimated at \$120,000.00 exclusive of furnishings." Later in the same conversation, said, "Then we have a three-story and penthouse hotel building, 100 rooms of 55,000 square feet of re-enforced concrete. That building is going to cost us approximately \$770,000.00 without any furnishings".

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ice Memorandum • united states government

SUBJECT:

HENJANIN "BUGS" STECHEL

(Flamingo Hotel Phase of the Case) ...

DATE: September 20, 1946 ALL INFORVATION CONTAINED

We have just received a memorandum from the Los Angeles Office concerning the developments to date in the Flamingo Hotel project. It is recalled Siegel and associates have completed their hearing before mis fine of the CPA and have been allowed to proceed with the construction of the hotel at Las Vegas, Nevada.

At the present time, we are awaiting a transcript of the testimortaken at the hearing. It is to be completed, according to information received yesterday, on or about September 25, 1946. Of course, until the transcript is made available, no active investigation can be conducted.

IMMEDIATE QUESTION

Pursuant to the Bureau's instructions, plans are being formulated for the procedure to be followed in connection with the investigation so we can proceed just as soon as the record is made available. In accordance with this plan, there is attached hereto a memorandum received from Ostholthoff at Los Angeles, outlining a proposed procedure.

We have reviewed the memorandum very carefully and certain steps appear necessary before they will be able to proceed with sufficient assurance to make a case stick.

RECOMMENDA TION

It is, therefore, recommended that we instruct the Los Angeles Office to proceed along the lines indicated in the structed memorandum with the following additions:

1. All witnesses should be placed under oath as this n investigation is one concerning a fraud against the Government.

- 2. Consideration has been given to the method of conducting the interviews. It is suggested that all of the main subjects and main potential witnesses should be interviewed simultaneously in order to prevent subsequent collusion.
- 3. As all of the subjects are to be interviewed simultaneously, instructions should be given to immediately brief all ν Agents who will conduct the interviews.

4. Squads should be organized for each interview. At least two Agents should be on each squad.

- 5. The interviews should be reduced to writing and signed statements obtained from the potential subjects.
- 6. Each squad should be fully fortified with complete in-
- 7. As these interviews will be simultaneous and as they are based upon a specific violation, i.e., Fraud Against the Government, all inquiries with the main subjects and potential witnesses and subjects should be on an open inquiry basis.

Inasmuch as we cannot proceed as indicated above with the all out investigation until September 25th, it is intended that these instructions will be transmitted to the Los Angeles Office immediately in the event you approve of the procedure outlined above.

Attachment